

DURKIN & DURKIN, LLC

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M. Murphy Durkin, Esq.
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FOUNDER

Thomas E. Durkin, Jr.
(1953 - 2014)

August 27, 2020

Via PACER E-filing and Regular Mail

The Honorable Vincent F. Papalia, USBJ
50 Walnut Street, Courtroom 3B
Newark, NJ 07102

RE: Debtors: Richard A. Fersch & Emily K. Anderson
Case No.: 20-18150-VFP
Our File NO.: 3394-200-MMD

Dear Judge Papalia:

This office represents Kearny Bank (the "Bank"), a secured creditor as same relates to the above referenced Chapter 13 bankruptcy matter.

A Confirmation Hearing is presently scheduled before Your Honor on September 3, 2020. Please accept this correspondence in lieu of a more formal opposition to the Debtors' Chapter 13 Plan and Motions.

On June 2, 2017, Atlantic Highway Holdings, Inc. executed a Note in the original sum of \$338,000.00 in favor of the Bank. To partially secure this Note, Richard A. Fersch and Emily K. Anderson (the "Debtors") executed a Mortgage in favor of the Bank in the sum of \$338,000.00 on the Debtors' property commonly referred to as 51 Afterglow Avenue, Verona, New Jersey 07044 (the "Property") which Mortgage was recorded in the Essex County Register's Office on June 13, 2017 under instrument no. 2017051324.

On August 11, 2020, the Bank filed a Proof of Claim setting forth in part that the outstanding amount due and owing is the sum of \$314,354.03.

DURKIN & DURKIN, LLC

August 27, 2020

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The Debtors' Plan addresses the Bank's claim at Part 4(d). The Debtors state in part that the Property has a value of \$833,850.00 with no documentation to support same. The Bank obtained a valuation of the Property on June 26, 2020 which sets forth a value of \$935,000.00. A copy of the Bank's valuation is attached hereto and incorporated herein as Exhibit "A". In addition, the Debtors state that the superior liens on the Property total the sum of \$823,368.00. Upon my review, it does not appear that either of these creditors have filed a Proof of Claim and the Debtor has not provided any documentation to support same. The Debtors propose to pay the Bank \$0 based upon their secured claim of \$314,354.03.

For the reasons set forth above, it is respectfully requested that the Debtors' Plan and Motion not be confirmed in that even if the Court were to take their valuations and superior debts securing the involved Property, the Bank would be entitled to not less than \$100,000 against its secured claim; the balance of which would thereafter be unsecured. With that said, the Bank believes that the value of the Property would be higher than the attached appraisal if a full interior appraisal was obtained.

Thanking Your Honor for your time and attention with regard to this matter, I remain....

Respectfully Yours,
DURKIN & DURKIN, LLC

By: 
M. Murphy Durkin

MMD: mma

Enclosures

Cc: Kearny Bank
Karina Pia Lucid, Esq.
Marie-Ann Greenberg, Trustee
U.S. Trustee

Exhibit A

SUMMARY OF SALIENT FEATURES

SUBJECT INFORMATION	Subject Address	51 Afterglow Ave
	Legal Description	BLOCK: 401 LOT: 3
	City	Verona
	County	ESSEX
	State	NJ
	Zip Code	07044
	Census Tract	0212.00
	Map Reference	35084
SALES PRICE	Sale Price	\$
	Date of Sale	
CLIENT	Borrower	FERSCH, RICHARD
	Lender/Client	Kearny Bank/Statewide Reports
DESCRIPTION OF IMPROVEMENTS	Size (Square Feet)	3,367
	Price per Square Foot	\$
	Location	N;Res;
	Age	95
	Condition	C3
	Total Rooms	10
	Bedrooms	6
	Baths	4.1
APPRAISER	Appraiser	MATTHEW CILIENTO
	Date of Appraised Value	06/26/2020
VALUE	Final Estimate of Value	\$ 935,000

Exterior-Only Inspection Residential Appraisal Report

File # 062220FER

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	51 Afterglow Ave	City	Verona	State	NJ	Zip Code	07044
Borrower	FERSCH, RICHARD	Owner of Public Record	FERSCH, RICHARD & EMILY	County	ESSEX		
Legal Description	BLOCK: 401 LOT: 3						
Assessor's Parcel #	20-00401-0000-00003-0000	Tax Year	2019	R.E. Taxes \$	22,843		
Neighborhood Name	N/A	Map Reference	35084	Census Tract	0212.00		
Occupant	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	0	PUD	HOA \$	0	per year <input type="checkbox"/> per month <input type="checkbox"/>
Property Rights Appraised	<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)						
Assignment Type	<input type="checkbox"/> Purchase Transaction <input checked="" type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)						
Lender/Client	Kearny Bank/Statewide Reports	Address					
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No						
Report data source(s) used, offering price(s), and date(s).	NONE NOTED PER MLS						

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$	Date of Contract	Is the property seller the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Data Source(s)
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No				
If Yes, report the total dollar amount and describe the items to be paid.				

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	95 %		
Built-Up	<input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%		
Growth	<input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	300	Low	1	Multi-Family	%	
Neighborhood Boundaries	ALL DEFINED MUNICIPAL BOUNDARIES			1,500	High	200	Commercial	5 %	
				750	Pred.	50	Other	%	

Neighborhood Description THE SUBJECT PROPERTY IS LOCATED IN A RESIDENTIAL NEIGHBORHOOD, WHICH POSSESSES ADEQUATE CONVENIENCE TO EMPLOYMENT, SHOPPING, SCHOOLS, TRANSPORTATION AND REC. FACILITIES. THE GENERAL APPEARANCE OF THE PROPERTIES IS AVERAGE & OVERALL MARKETABILITY APPEARS TO BE SATISFACTORY.

Market Conditions (including support for the above conclusions) PROPERTY VALUES ARE STABLE, AND SUPPLY AND DEMAND APPEARS TO BE IN BALANCE. MARKETING TIME IS GENERALLY 1-6 MONTHS PROVIDED THE PROPERTY IN QUESTION IS REASONABLY PRICED. THE MAJORITY OF RESIDENTIAL PROPERTIES ARE FINANCED WITH CONVENTIONAL MORTGAGES.

Dimensions	100X194	Area	19400 sf	Shape	RECTANGULAR	View	N;Res;
Specific Zoning Classification	R3	Zoning Description	RESIDENTIAL				
Zoning Compliance	<input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)						
Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements - Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	ASPHALT PAVED	<input checked="" type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	NONE	<input type="checkbox"/>
FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	X	FEMA Map #	34013C0103F	FEMA Map Date	06/04/2007
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe							
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe							
NONE NOTED							

Source(s) Used for Physical Characteristics of Property ☐ Appraisal Files ☒ MLS ☒ Assessment and Tax Records ☐ Prior Inspection ☐ Property Owner

☐ Other (describe)

Data Source for Gross Living Area TAX DATA

General Description	General Description	Heating/Cooling	Amenities	Car Storage
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	Concrete Slab <input type="checkbox"/> Crawl Space <input type="checkbox"/>	FWA <input type="checkbox"/> HWBB <input type="checkbox"/>	Fireplace(s) # 1 <input type="checkbox"/> None	
# of Stories 2.5	Full Basement <input checked="" type="checkbox"/> Finished <input checked="" type="checkbox"/>	Radiant <input checked="" type="checkbox"/>	Woodstove(s) # 0	Driveway # of Cars 10
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Partial Basement <input type="checkbox"/> Finished <input type="checkbox"/>	Other <input type="checkbox"/>	Patio/Deck PATIO	Driveway Surface ASPHALT
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls WOOD	Fuel GAS	Porch PORCH	Garage # of Cars 2
Design (Style) COL	Roof Surface ASPH SHNG	Central Air Conditioning <input checked="" type="checkbox"/>	Pool NONE	Carpert # of Cars 0
Year Built 1925	Gutters & Downspouts ALUMINUM	Individual <input type="checkbox"/>	Fence FENCE	Attached <input checked="" type="checkbox"/> Detached
Effective Age (Yrs) 10	Window Type DBL HUNG	Other <input type="checkbox"/>	Other NONE	Built-in
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains: 10 Rooms 6 Bedrooms 4.1 Bath(s) 3,367 Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.) NONE NOTED				

Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). C3: THIS APPRAISAL REPORT IS BASED ON AN EXTERIOR INSPECTION ONLY.

Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☒ No

If Yes, describe.

NO APPARENT ADVERSE SCENTS OR CONDITIONS WERE OBSERVED AT THE TIME OF THE APPRAISAL THROUGH A VISUAL INSPECTION OF THE SUBJECT PROPERTY AND THE SURROUNDING AREAS. IT IS IMPORTANT TO NOTE THAT THE APPRAISER IS NOT QUALIFIED TO TEST FOR ENVIRONMENTAL HAZARDS NO DOES HE REPRESENT THE LIKE.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☒ Yes ☐ No If No, describe.

THE SUBJECT PROPERTY CONFORMS TO THE NEIGHBORHOOD.

Exterior-Only Inspection Residential Appraisal Report

File # 062220FER

There are 3 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 750,000 to \$ 1,000,000	
There are 14 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 750,000 to \$ 1,000,000	
FEATURE	SUBJECT
Address	51 Afterglow Ave Verona, NJ 07044
Proximity to Subject	0.18 miles SW
Sale Price	\$ 289,48 sq.ft.
Sale Price/Gross Liv. Area	\$ 276.36 sq.ft.
Data Source(s)	MLS# 3606966;DOM 13
Verification Source(s)	WWW.NJACTB.ORG
VALUE ADJUSTMENTS	DESCRIPTION
Sales or Financing	ArmLth
Concessions	Conv;0
Date of Sale/Time	s12/19;c05/19
Location	N;Res;
Leasehold/Fee Simple	Fee Simple
Site	19400 sf
View	N;Res;
Design (Style)	DT2.5;COL
Quality of Construction	Q4
Actual Age	95
Condition	C3
Above Grade	Total Bdrms. Baths
Room Count	10 6 4.1
Gross Living Area	3,367 sq.ft.
Basement & Finished	1400sf1200sf
Rooms Below Grade	1rr0br0.1ba0o
Functional Utility	AVERAGE
Heating/Cooling	HW/CAC
Energy Efficient Items	NONE
Garage/Carport	2gd10dw
Porch/Patio/Deck	PORCH/PATIO
Fireplace	1 FPL
Net Adjustment (Total)	\$ 34,900
Adjusted Sale Price of Comparables	\$ 934,900
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.	
Data Source(s) MLS	
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.	
Data Source(s) MLS	
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).	
ITEM	SUBJECT
Date of Prior Sale/Transfer	
Price of Prior Sale/Transfer	
Data Source(s)	MLS/TAX DATA
Effective Date of Data Source(s)	06/26/2020
Analysis of prior sale or transfer history of the subject property and comparable sales OTHER THEN THE ABOVE TABULATED SALES THE WERE NO	
PRIOR LISTINGS OR SALES FOR THE COMPARABLE SALES WITHIN THE PAST 12 MONTHS OR FOR THE SUBJECT PROPERTY WITHIN THE PAST 36 MONTHS.	
Summary of Sales Comparison Approach THE COMPARABLES SELECTED REPRESENT THE BEST AVAILABLE CLOSED DWELLINGS AT THE TIME OF INSPECTION. SEE SUPPLEMENTAL ADDENDUM FOR THE BREAKDOWN OF ADJUSTMENTS UTILIZED IN THE MARKET DATA ANALYSIS.	
Indicated Value by Sales Comparison Approach \$ 935,000	
Indicated Value by: Sales Comparison Approach \$ 935,000 Cost Approach (if developed) \$ 941,252 Income Approach (if developed) \$ 0	
THE ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY IS CONSIDERED TO BE FAIR AND REASONABLE.	
THERE IS ONLY 1 APPRAISER THAT WORKS IN THE APPRAISAL OFFICE	
This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: Based on current "as is" condition.	
The most weight has been given to the sales comparison approach as it gives the best indication of current market trends.	
Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 935,000, as of 06/26/2020, which is the date of inspection and the effective date of this appraisal.	

Exterior-Only Inspection Residential Appraisal Report

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ADDITIONAL COMMENTS	FINAL RECONCILIATION	
	THE MOST WEIGHT HAS BEEN GIVEN TO THE SALES COMPARISON ANALYSIS DUE TO THE AMOUNT OF DATA AVAILABLE. THE COST APPROACH IS GIVEN CONSIDERATION & IS SUPPORTIVE OF THE SALES COMPARISON ANALYSIS; HOWEVER, IT IS GIVEN SECOND WEIGHT DUE TO THE DIFFICULTY IN ESTIMATING DEPRECIATION IN ALL OF ITS FORMS. THE INCOME APPROACH IS CONSIDERED NOT APPLICABLE SINCE SINGLE FAMILY PROPERTIES, ARE NOT COMMONLY PURCHASED FOR THE PURPOSE OF INCOME IN THIS MARKET AREA. THIS APPRAISAL ASSIGNMENT WAS NOT BASED ON A REQUESTED MINIMUM OR SPECIFIC VALUATION, OR THE APPROVAL OF A LOAN. NO PERSONAL PROPERTY, FIXTURES, OR INTANGIBLES WERE INCLUDED IN THE ESTIMATE OF VALUE. THIS APPRAISAL CONTAINS DIGITAL PHOTOS AND DIGITAL SIGNATURES WHICH ARE AN EXACT COPY OF AN ORIGINAL AND HAVE NOT BEEN ALTERED IN ANY WAY.	
	THIS APPRAISAL REPORT HAS BEEN PREPARED IN COMPLIANCE WITH THE UNIFORM APPRAISAL DATASET (UAD) FROM FANNIE MAE AND FREDDIE MAC. THE UAD REQUIRES APPRAISERS TO USE STANDARDIZED RESPONSES THAT INCLUDE SPECIFIC FORMATS, DEFINITIONS, ABBREVIATIONS, AND ACRONYMS. THE APPRAISER ATTEMPTED TO OBTAIN AN ADEQUATE AMOUNT OF INFORMATION IN THE NORMAL COURSE OF BUSINESS REGARDING THE SUBJECT AND COMPARABLE PROPERTIES. SOME OF THE STANDARDIZED RESPONSES REQUIRED BY THE UAD, ESPECIALLY THOSE IN WHICH THE APPRAISER HAS NOT HAD THE OPPORTUNITY TO VERIFY PERSONALLY OR MEASURE, COULD MISTAKENLY IMPLY GREATER PRECISION AND RELIABILITY IN THE DATA THAN IS FACTUALLY CORRECT OR TYPICAL IN THE NORMAL COURSE OF BUSINESS. EXAMPLES INCLUDE CONDITION AND QUALITY RATINGS AS WELL AS COMPARABLE SALES AND LISTING DATA. NOT EVERY ELEMENT OF THE SUBJECT PROPERTY WAS VIEWABLE AND COMPARABLE PROPERTY DATA WAS GENERALLY OBTAINED FROM THIRD-PARTY SOURCES (MULTIPLE LISTING SERVICES, PUBLIC TAX DATA WEBSITES, LOCAL MUNICIPALITIES, ETC). CONSEQUENTLY, THIS INFORMATION SHOULD BE CONSIDERED AN "ESTIMATE" UNLESS OTHERWISE NOTED BY THE APPRAISER. REFERENCE: USPAP 2010-2011" SCOPE OF WORK RULE: ADVISORY OPINION 24: NORMAL COURSE OF BUSINESS	
	THE APPRAISER PERFORMED NO PRIOR SERVICES ON THE SUBJECT IN THE PAST 36 MONTHS.	
	THE ESTIMATED EXPOSURE TIME OF THE SUBJECT IS 2-6 MONTHS.	
COST APPROACH	COST APPROACH TO VALUE (not required by Fannie Mae)	
	Provide adequate information for the lender/client to replicate the below cost figures and calculations.	
	Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) THE SITE VALUE OF THE SUBJECT IS 32% OF THE TOTAL VALUE AND THIS SITE VALUE IS CONSISTENT WITH THE SUBJECT'S MARKET AREA AND THE COMPARABLES.	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 300,000
	Source of cost data LOCAL BUILDERS	DWELLING 3,367 Sq.Ft. @ \$ 150.00 = \$ 505,050
	Quality rating from cost service AVG Effective date of cost data 06/26/2020	1,400 Sq.Ft. @ \$ 100.00 = \$ 140,000
	Comments on Cost Approach (gross living area calculations, depreciation, etc.) = \$
	NONE	Garage/Carport 500 Sq.Ft. @ \$ 50.00 = \$ 25,000
		Total Estimate of Cost-New = \$ 670,050
INCOME		
	Less Physical Functional External	
	Depreciation 78,798 = \$(78,798)	
	Depreciated Cost of Improvements = \$ 591,252	
	"As-Is" Value of Site Improvements = \$ 50,000	
	Estimated Remaining Economic Life (HUD and VA only) 75 Years	
	INDICATED VALUE BY COST APPROACH = \$ 941,252	
	INCOME APPROACH TO VALUE (not required by Fannie Mae)	
	Estimated Monthly Market Rent \$ 0 X Gross Rent Multiplier 0 = \$ 0 Indicated Value by Income Approach	
Summary of Income Approach (including support for market rent and GRM)		
PUD INFORMATION	PROJECT INFORMATION FOR PUDs (if applicable)	
	Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached	
	Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.	
	Legal Name of Project	
	Total number of phases	Total number of units
	Total number of units rented	Total number of units sold
	Total number of units for sale Data source(s)	
	Was the project created by the conversion of existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion	
	Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)	
	Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.	
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.		
Describe common elements and recreational facilities.		

Exterior-Only Inspection Residential Appraisal Report

File # 062220FER

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the exterior areas of the subject property from at least the street. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

Exterior-Only Inspection Residential Appraisal Report

File # 062220FER

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.


24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature 
Name MATTHEW CILENTO
Company Name MAC REAL ESTATE APPRAISAL, LLC
Company Address 369 ELM STREET
ORADELL, NJ 07649
Telephone Number (201) 923-4759
Email Address MCCILENTO@GMAIL.COM
Date of Signature and Report 06/29/2020
Effective Date of Appraisal 06/26/2020
State Certification # 42RC00158300
or State License # _____
or Other (describe) _____ State # _____
State NJ
Expiration Date of Certification or License 12/31/2021

ADDRESS OF PROPERTY APPRAISED

51 Afterglow Ave
Verona, NJ 07044

APPRAISED VALUE OF SUBJECT PROPERTY \$ 935,000

LENDER/CLIENT

Name STATEWIDE REPORTS INC
Company Name Kearny Bank/Statewide Reports
Company Address _____
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

☐ Did not inspect exterior of subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____

COMPARABLE SALES

☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
Date of Inspection _____

Supplemental Addendum

File No. 062220FER

Borrower	FERSCH, RICHARD				
Property Address	51 Afterglow Ave				
City	Verona	County	ESSEX	State	NJ Zip Code 07044
Lender/Client	Kearny Bank/Statewide Reports				

COST APPROACH COMMENTS

THE SUBJECT SUFFERS NO APPARENT FUNCTIONAL INADEQUACIES. THE ESTIMATED SITE VALUE IS BASED ON THE DATA GATHERED FROM VARIOUS SOURCES INCLUDING KNOWLEDGEABLE REALTORS AND LOCAL TAX RECORDS. THIS VALUE IS CONSIDERED TYPICAL FOR THE SUBJECT'S MARKET AREA AND HAS BEEN DERIVED BY UTILIZING ABSTRACTION.

SALES COMPARISON COMMENTS

AN INVESTIGATION OF THE MARKET INDICATED THE COMPARABLE SALES TO BE THE MOST SIMILAR TO THE SUBJECT PROPERTY CLOSING WITHIN AN ACCEPTABLE PERIOD OF TIME. WHILE EACH SALE REQUIRED A NUMBER OF ADJUSTMENTS, BOTH THE INDIVIDUAL AND NET ADJUSTMENTS ARE CONSIDERED REASONABLE.

THE FOLLOWING ADJUSTMENTS HAVE BEEN MADE TO COMPARABLE SALES:

GLA ADJUSTED AT \$50 PER S.F.

SITE ADJUSTMENTS CALCULATED AT \$1 PER S.F. (ROUNDED).

ROOMS ADJUSTED AT \$10,000 PER FULL BATH.

EQUAL CONSIDERATION WAS GIVEN TO ALL COMPARABLE SALES.

ALTHOUGH COMPS 1 AND 3 ARE DATED THEY HAVE BEEN UTILIZED DUE TO SIMILAR DESIGN, LOCATION AND APPEAL.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Condition Ratings and Definitions

C1

The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Quality Ratings and Definitions

Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

Quality Ratings and Definitions (continued)

Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

Example:

3.2 indicates three full baths and two half baths.

Borrower	FERSCH, RICHARD				
Property Address	51 Afterglow Ave				
City	Verona	County	ESSEX	State	NJ Zip Code 07044
Lender/Client	Kearny Bank/Statewide Reports				



Subject Front
51 Afterglow Ave

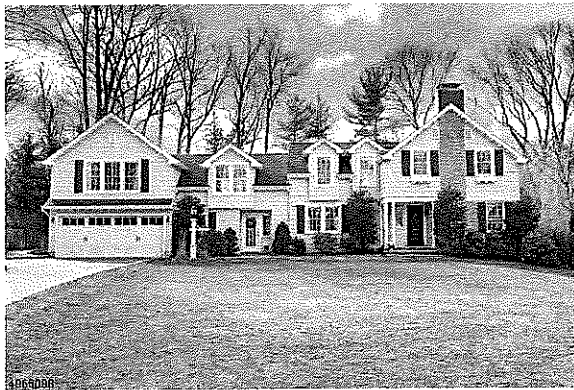


Subject Street

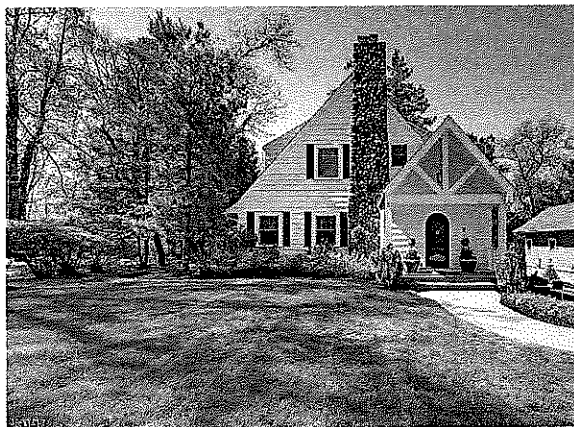
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Comparable 1
86 Afterglow Ave



Comparable 2
11 Gordon Pl



Comparable 3
5 Randolph Pl

Location Map

Borrower	FERSCH, RICHARD			
Property Address	51 Afterglow Ave			
City	Verona	County	ESSEX	State NJ Zip Code 07044
Lender/Client	Kearny Bank/Statewide Reports			

